AR Today

Toward More Businesslike Government

Dilbert Helps Vice President's NPR Tell Its Story

In its latest progress report, the National Performance Review employs two sure-fire communications tools: humor and pictures.

The fourth NPR report was released Nov. 7 at the White House Conference on Businesslike Government. It's an informative and humorous soft-cover book by Vice President Al Gore, complete with Dilbert cartoons and workplace anecdotes.

Businesslike Government: Lessons Learned From America's Best Companies is a look at the many ways the federal government is trying to reform itself.

Reinvention is all about learning from business to make the government work better and smarter. According to Gore's DoD anecdotes, DoD would add "in support of the warfighter."

As Bob Stone, who runs the NPR initiative for Gore, said at the briefing, reinventing government is really pretty simple. There are only three major actions NPR is doing as a result of what it learned from business, but it requires doing them over and over and over. Here they are:

- **Listen to customers.** Agencies are changing. They are asking their customers what they want, listening to the answers, and promising to deliver. Instead of blindly following procedural rules, employees are being allowed more flexibility to use their heads to meet customer needs.
- **Listen to front line employees.** A top priority has been to free government workers from over-regulation. Agencies have scrapped more than 640,000 pages of internal rules and regulations that displayed a distrust of workers and thus sapped their enthusiasm and initiative.
- **Focus on results.** "We have found groups of workers all across government, many of them in what was designated

AR's Benchmarking Initiative

The streamlining of the defense acquisition system will significantly change DoD's program performance, program schedule and program cost. DoD needed a way to respond to the budget adjustments that will come with the streamlining, and a way to estimate the impact of AR.

To that end, the Under Secretary of Defense (Acquisition and Technology) established the Acquisition Reform Benchmarking Initiative Group (ARBG). It identified process changes brought about as a result of AR and through its final report provides a comprehensive plan for estimating and measuring the changes in program performance, schedule and cost attributable to AR initiatives.

The goals that guided ARBG were:
- Estimates and measures must be supported by the best information available.
- All department organizations impacted will have an opportunity to provide input.
- A methodology was developed to provide estimates and measures of acquisition reform.

Three tiers comprise the ARBG initiative. The AR Senior Steering Group provided management insight and oversight.

Pilot Programs: Verdict Is In

During the Clinton administration's first term, seven Defense Acquisition Pilot Programs (DAPPs) have been looking at new ways to run the defense business.

In the process, aided by statutory and regulatory relief, they had an impact on developing or refining virtually every significant AR component: single process initiative, integrated product teams, process action teams, partnerships with industry, buying commercial, electronic commerce, performance-based contracting, streamlined solicitation packages, reduced government oversight, multi-year contracts, direct vendor delivery, open discussion with contractors, and total ownership cost.

The Pilot Programs project was launched in 1994 under the Federal Acquisition Streamlining Act (FASA) to advise, assess, and report on metrics and baseline issues of defense acquisition. Now the Pilot Programs Consulting Group has reported on the lessons-learned and recommended how to proceed with DoD-wide implementation.

"Recognizing that the primary mission of DoD is to provide for the national defense," the report says, "every resource applied to 'tail' operations (such as acquisition and logistics) incurs a lost opportunity cost of not being available for the 'tooth,' i.e., military operations.

I-Mart, a 'Must' Stop for...
Internet Market Research and Product Info

Do you need more information on the products you buy? Do you need to look at a large selection of products quickly? Would you like this search to be updated automatically whenever you desire?

Set your web browser to *http://www.imart.org* — the electronic address of the market research resource of the Deputy Under Secretary of Defense (Acquisition Reform) with its compilation of links to specialized databases.

There are multiple links for computers and electronics, industrial products, general business information, an aircraft parts locator system, chemical suppliers, and even consulting services.

The site also includes a link to the GSA's Shoppers Advantage service, a network of industrial and commercial suppliers, and connections to the Garment Industry Development Corporation.

Looking to purchase computers? Don't bother going to each manufacturer's web site. Get the "street price" for dozens of different makes and models all at once. Enter your specifications to get a listing of the makes and models in your price range.

The Expert Marketplace web site houses a consulting database. Just enter your search parameters and receive a list of consulting firms in your area.

Need to do statistical market research? Click on the STAT-USA icon to connect to the National Trade Data Bank, which bills itself as the government's "most comprehensive source of international trade data and export promotion information."

Most of these links offer their services at no charge, but some want the user's name and e-mail address, anyway.

Still not satisfied with the dozens of databases at your finger tips? That's okay, because I-Mart has its own search engine link to thousands of companies and hundreds of thousands of products. This page is a must bookmark for all acquisition professionals.

Need certified training? I-Mart has a terrific tutorial page loaded with information about market research, from collecting market data to evaluating results.

A related web site (*http://www.cadv.org/cadv.htm*) conducts certified Internet training. Don't forget to check out the Federal Acquisition Institute's on-line market research course. FAI on-line is a great resource for the AR community. Enroll in an Internet course or just get information on hundreds of publications.

In this time of buying smarter and following new rules in the acquisition process, nothing is more important than information. The I-Mart web site gives access to that most important commodity. Its vast resources may help you make your purchasing decisions.

Stay plugged in for future tool refinements and upgrades that may enhance pricing support and on-line source selection criteria.

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FAR Part 15 Reminder

The final rule for the rewrite of Federal Acquisition Regulations (FAR) Part 15 on Negotiated Source Selection became mandatory on Jan. 1, 1998.

Contracting by Negotiation, FAR Part 15, procedures establish the framework for DoD's business relationship with industry and are critical to obtaining best value.

For details, see "Ask the Professor" on the DoD Deskbook (*http://www.deskbook.osd.mil/aap).*

FAR Part 15 will also be the focus of the next satellite broadcast to provide the latest information to the acquisition workforce. Mark your calendar for Wed., Jan. 28.

SCE Reuse: Ending Redundant Reviews

Everett M. Dirksen, the Senate minority leader in the 1960s, liked to say that when he felt the heat, he saw the light.

That's what happened at DoD in its use of software capability evaluations (SCEs) in source selections — measures of an offeror's processes for managing software engineering efforts.

Industry had complained for years that it was swamped by government demands for paperwork and visits, and different agencies often wanted the same information. The situation became common enough to acquire a name: redundant reviews.

"Industry continues to assert that it seems as if the government is constantly looking at them, asking the same questions and getting the same answers," said Lt. Col. Charles F. Vondra, U.S. Army, an acquisition reform staff officer, ODUSD. "This is a great example of what acquisition reform was meant to fix. A typical SCE costs the government an estimated $50,000, and contractors say it costs them a similar amount. When an SCE repeats an earlier evaluation, it just wastes time and money."

Last July, R. Noel Longuemare, Acting Under Secretary of Defense (Acquisition & Technology) directed the Systems Engineering Steering Group to find ways to improve the system for performing SCEs.

Today, only six months later, the policy is to reuse the results of earlier evaluations whenever possible. A system being implemented to assist in executing this policy consists of:

- The software center operated by the Defense Contract Management Command (DCMC) in Boston, MA, will collect all information on source-selection SCEs conducted on DoD contractors.
- Completed SCEs will reside at the Air Force Electronic Systems Center, a DoD SCE repository established at Hanscom AFB, MA. This repository draws on work by the Army's Research and Development Engineering Center, Communications-Electronics Command and the Naval Command, Control, and Ocean Surveillance Center.
- All government-sponsored teams (not just DoD teams) will have access to the SCE results.
- Information will be safeguarded as source selection sensitive.
- Results of SCEs will be shared with offerors, who may provide comments that will also be put into the repository at Hanscom.
- Since software engineering processes are continuously improving, it will be possible to partially reuse an SCE — that is, to take an SCE from the repository and update it, rather than redo it, so that it reflects an offeror's

current capability.

"The overall goals of the entire process are to make consistent, reliable information widely available, to save money and to ensure equitable treatment of contractors," Vondra said.

As in so many other acquisition reform initiatives, a hero of the SCE story is an Integrated Product Team. After Longuemare's directive, the "SCE Team" was established to find ways to use SCE information more systematically.

> *"The overall goals of the entire process are to make consistent, reliable information widely available, to save money and to ensure equitable treatment of contractors."*

As it happened, the team was able to build on earlier work. A tri-service group was formed four years ago to promote the use of SCEs in evaluating development risk and to improve consistency in applying the SCE method.

Then, last year, a pilot program was launched at the Electronic Systems Center at Hanscom to reuse SCEs, which resulted in approximately $1 million cost avoidance. This pilot led to the formation of the Government SCE Consortium last May, also led by the Air Force's Electronic System Center. The consortium's future role will be to provide a forum for sharing experiences, and to gather new ideas for improving the application of SCEs and reusing them.

"The Acquisition Reform office is also looking at government-performed SCEs as temporary," Vondra said. "We would eventually like to see a commonly accepted evaluation by an independent third party, similar to ISO 9000 quality certification in manufacturing.

"We want a professional, consistent system with reliable information that is less intrusive to industry and uses information smarter and faster."

> *The man with a new idea is a crank, until the idea succeeds. — Mark Twain*

As part of the Prime Contractor Partnership Program supported by NMQAO's database, Capt. Louis Morris, second from right, presented awards to Electric Boat Corporation for advancing contractor-government data exchange. Others, from left, are Paul Sweeney, Navy supervisor of shipbuilding, Groton, CT, and James Noonan and Nancy Beckwith of Electric Boat.

NMQAO Tracks Contractors

The Navy Material Quality Assessment Office (NMQAO) is in the contractor-information business. Specifically, it provides a centralized database of past performance information and evaluates the data for procurements.

The data are stored in the Product Deficiency Reporting and Evaluation System. NMQAO's other tool is the Red/Yellow/Green program, which classifies contractors based on the past performance data in PDREP. Navy contracting officers use this information in source selection to reduce the risk of receiving defective products.

NMQAO is part of the Naval Sea Logistics Center Detachment, Portsmouth, VA. These photos show new initiatives that took advantage of NMQAO's services.
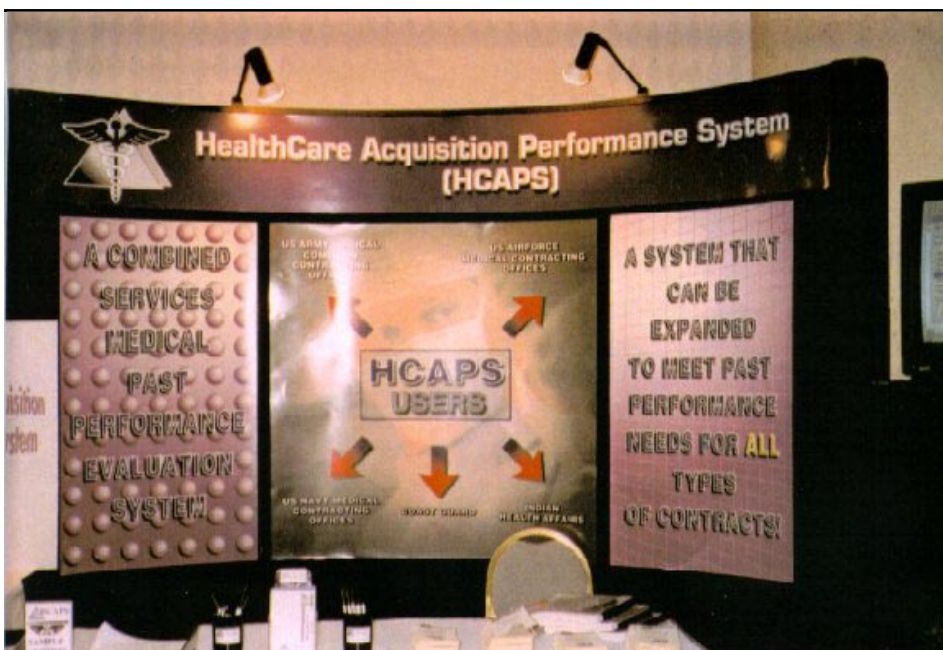
NMQAO joined forces with the DoD Health Affairs Office and the Army Medical Command to publicize the HealthCare Acquisition Performance System, which tracks personnel and non-personnel contract information across DoD and other agencies. HCAPS, whose data are available to all federal medical contracting agencies, satisfies FAR past performance requirements. Information: Duncan MacDonald, 603/431-9460, ext. 462.

Cohen Releases Defense Reform Initiative Report

In keeping with the government-wide effort to become more businesslike (see page 1), Secretary of Defense William S. Cohen released the Defense Reform Initiative Report in November.

"It is as important for the business side of DoD to operate efficiently as it is for the military forces," Cohen said.

The Secretary listed "best business practice" goals:

- Paper-free contracting for major weapons by Jan. 1, 2000
- 90 percent of all purchases under $2,500 made using the IMPAC card by FY2000
- Expanded use of electronic shopping
- Paper-free weapons support and logistics
- Dissemination of DoD-wide regulations and instructions exclusively by Internet or CD-ROM by July 1, 1998
- Prime vendor contracts for maintenance, repair and operating materials for every major U.S. installation by Jan. 1, 1999
- Reengineering of the systems for travel and moving household goods
- Replacing the "just in case" mindset with "just in time" in logistics.

In other sections of the report, Cohen said he will reduce and reorganize headquarters staff and will encourage the Department to rely on the competitive powers of the marketplace to become more efficient.

DoD will seek congressional approval of two additional rounds of base closures and will consolidate or restructure many support agencies to achieve economies of scale, he said.

Cohen said the proposed changes will enable him to fulfill his responsibilities to the President and the people, improve oversight of the Department, ensure civilian control, enhance civilian-military relationships, empower managers at lower levels, free policymakers from operational responsibilities, and make resources available.

"Through these reforms," he said, "the Department of Defense will continue to man, train and equip the finest military force the world has ever seen."

The entire report can be read on the Internet in PDF format at *http://www.defenselink.mil/pubs/dodreform/index.html*

C-32A Reaches Milestone

As *AR Today* went to press, the Aeronautical Systems Center (ASC) at Wright-Patterson AFB, OH, was preparing to receive the first two of four C-32A executive transports. They were procured using commercial procedures as recommended in ASC's Commercial Aircraft Acquisition Critical Process Team Report.

The aircraft, slightly modified Boeing 757-200s, reached a major milestone in October when the first forward and aft fuselage sections were joined to the mid-fuselage/wing section at Boeing's factory in Renton, WA. The first two aircraft are due at Wright-Patterson in February. They will be operated by the 89th Airlift Wing, Andrews AFB, MD.

"This . . . takes the aircraft out of the parts production plan and into the final assembly building where it is now a real airplane," said Bob Marx, development sys-

Excitement ran high at the Boeing factory in Renton, WA, in October, when the aft fuselage section of the first C-32A was joined to the rest of the aircraft.

tem manager for ASC's Commercial Aircraft Integrated Product Team.

Calling the project an exclusively commercial acquisition and an Air Force AR suc-

cess story, Marx said: "The real bottom line in the commercial world is to meet the performance requirement, and that's exactly what we are doing with this acquisition."

Computer-Assisted Source Selection

By Col. J. Michael Haas

I recently participated as an evaluator in an electronic source selection for the National Polar-Orbiting Operational Environmental Satellite System (NPOESS) and was able to see and experience first-hand many of the positive changes brought by acquisition reform.

To encourage industry participation, the NPOESS Integrated Program Office (IPO) prepared an electronic bidder's library on the Word Wide Web. All relevant information was placed there, including drafts of the Request for Proposal (RFP). Industry and government personnel could comment through an electronic comment database. By the time the final RFP was released, nearly a gigabyte of data was available on-line.

This system ensured an equal footing for all potential offerors and helped them judge their competitiveness.

The IPO made the source selection as electronic as possible. Offerors were asked to submit proposals in portable document format (PDF), which maintains the look of the original document no matter how it was created and permits hyper-text linking and read-

ing documents on-line, enabling easy navigation through large documents.

The IPO received 15 proposals for five sensors — essentially five separate source selections. It evaluated each proposal on six technical factors, four management factors, cost, and past performance. The source selection evaluation board, comprised of 120-plus scientists, engineers and advisers, had less than 30 days to make recommendations.

How did the IPO accomplish this? Electronically, of course. Through the Space and Missile Center's RFP Support Office, we obtained the Electronic Source Selection (ESS) Tool, a Microsoft Access-based data management tool. It allowed easy tagging with the RFP and proposal references. It led the evaluators through each of the factors and in logging what turned out to be over 8,000 comments and suggestions. The team chiefs took those comments, along with their research, and linked similar comments together within the tool to formulate strengths and weaknesses.

If a question arose on the rationale for a strength or weakness, the supporting comments were a mouse click away. This feature was very helpful when the team chiefs determined the relative value of the strength/weakness and during the roll-up process.

ESS eased the formulation of clarification requests and deficiency reports, because the data were easily exported and electronically sent to offerors. Their responses and the offeror's submission of best and final offer followed a process similar to the initial evaluation.

Compilation, reevaluation, decision briefing, preparation of the proposal analysis report — ESS kept track of and facilitated all of it. High-level charts were easily transported to an automated briefing tool for at-a-glance comparisons. Throughout the process, the ready availability of complete, referenced information — in compact form, without having to search manually through piles of paper — was a huge time-saver.

Computer-Assisted Source Selection

(Continued from page 5)

ESS's finest hour may have been the debrief for non-winners. We provided a thorough, objective, documented rundown of the strengths and weaknesses of their proposals with no confusion and no fumbling through reams of paper. The electronic debrief informed the unsuccessful offerors while impressing upon them that the process was rigorous. Not a single protest was filed.

This entire process took three months. In hours, we did five source selections--about the amount of time that one would have required under the old paper system. We saved the space of several filing cabinets, and we improved accuracy. Electronic source selection puts both the government and the vendor on the record. And it provides a completely documented account of the selection.

We may have come into AR kicking and screaming, but experiences like this show it was worth the effort.

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AR's Benchmarking Initiative

(Continued from page 1)

The AR Benchmarking Initiative provided guidance and assessed the progress of the Analysis and Consulting Groups. The Analysis and Consulting Groups performed analyses and developed the estimates and measures of change.

ARBG's objectives were to identify the areas affected by AR initiatives and to task and ensure that support is given to the efforts of the Analysis and Consulting Groups. AR's impact on these efforts were addressed as follows:

- The needs (requirements) determination process
- The systems acquisition process
- Contract administration
- Contract terms and conditions
- Measures of success.

To learn more about the Acquisition Reform Benchmarking Initiative and its final report visit the AR Web site at *http://www.acq.osd.mil/ar/benchmar.htm*

Dilbert Helps NPR Tell Its Story

(Continued from page 1)

'reinvention labs,' who have been experimenting with new ways of doing things," Gore says in the book. "We have spotlighted and praised the most successful experiments—started hundreds of fires of change and fanned the flames. Now some bonfires are raging, ready to sweep entire agencies, starting with the ones that affect the public and business most."

The vice president's book is a humorous attempt to make acquisition reform accessible. He himself has said that the topic has not gotten much attention in the media (though Stone said it's beginning to get a larger share of questions at Clinton and Gore news conferences).

The book contains numerous examples of how new thinking has not only saved money, but also improved customer service to taxpayers and created better working conditions for government employees.

While most of the reform efforts have not reached "front line" employees, these efforts are underway, and will slowly transform the entire federal workforce, Gore said.

UPCOMING EVENTS

Satellite Broadcasts: (For more information, visit *http://www.acq.osd.mil/dau/arcc/sbsched.html*)

Jan. 28, 1998	Oral Presentations -- The Verbal Challenge
Feb. 3, 1998	Going Commercial -- FAR Part 12 Meets FAR Part 15
Feb. 11, 1998	Past Performance and Future Awards
Feb. 25, 1998	Contract Pricing -- What's the Right Price?
May 6, 1998	AR Week

The Tools for GPRA Implementation Conference, scheduled for Jan. 28-30, in Herndon, VA, features Activity-Based Costing/Management, Performance-Based Organizations, Earned Value System of Measurement, Alternative Performance Measurement & Budgeting Systems, and more. Mary Mozingo from NPR will conduct a post-conference workshop on Jan. 30 on how a federal organization can become a performance-based organization. For more information, call (800) 882-8684 or visit *http://www.iqpc.com*

The 1998 Annual Reinvention Revolution Conference is on the books for Apr. 20-22, in Washington, D.C. More details will be posted at *http://www.npr.gov/library/express/1997/1998.html*

The 1998 World Congress on Information Technology is scheduled for June 21-24, at George Mason University in Fairfax County, VA. Some 1,600-1,800 senior-level technology leaders from more than 50 countries will discuss industry trends, emerging technologies, and innovative developments in IT. For more information, call (703)790-0304 or visit *http://www.worldcongress1998.org*

PAT Recommends Training Changes

The Acquisition Education and Training (AE&T) Process Action Team has recommended that DoD reorganize the present consortium of schools under the Defense Acquisition University (DAU) and replace it with a new unified structure.

The USD(A&T) has decided to have the present DAU reorganize and transition to the new structure recommended in the PAT. The first step has been taken with the Defense Systems Management College reporting directly to the President of the DAU.

The mission will place more emphasis on "...responsibility for, and management authority over, the development and delivery of defense acquisition education and training."

The new organization—keeping the name of DAU—will aggressively employ technology-based learning, which includes distance learning, through more outsourcing. However, organic classroom courses will continue where appropriate.

You now can find a course on "Simplified Acquisition Procedures" at *http://www.acq.osd. mil/dau/train.html.* Access to this course is obtained through the DAU internet homepage. This is the first Web-based DAU course, and you can expect more in the future.

The PAT also recommended that the functional boards be rechartered to identify cleanly their role in setting requirements and to distinguish it from the schools' role in course development and delivery. New charters are in the approval process.

The AE&T PAT was chartered last May to assess and recommend changes in the DoD processes and organization for education of the defense acquisition workforce. It issued its final report to the members of the Defense Acquisition Career Development Council in September. Their comments are being considered and a final decision memorandum on the PAT's seven recommendations is expected soon.

A complete version of the report of the AE&T PAT can be found on the web at *http://www.acq.osd.mil/dau/aetcd.html*

Pilot Programs: Verdict Is In

"Within a constrained resource environment, improvement in the tooth-to-tail ratio is vital to maintaining force structure. Thus, one of the key elements of acquisition reform is to improve in-house efficiency so that resources can be directed to mission needs and modernization."

The DAPPs clearly demonstrate "the applicability of innovative commercial practices across a broad range of items and the gains in efficiency that can be achieved by DoD through rapid implementation of commercial practices," the report says. It recommends:

- Renewed efforts to address funding stability.
- Apprising congressional staffs of the implications of innovative business practices, especially as related to program stability.
- Continued efforts to communicate with, educate, and develop middle management and functional staffs at all levels to accept commercial practices and innovative acquisition techniques as the norm.
- Continued focus on commitment to commercial practices.
- Greater use of commercial practices in the normal course of business.
- Encouraging industry to institutionalize AR principles.
- Staffing program offices and IPTs with experienced, committed professionals.

The report predicted what the program of the future will look like:

- Small (15-40 people)
- Generalists with broad-based knowledge
- Equal business and technical knowledge
- Greater trust and reliance on the contractor
- Maximum use of computers, interactive databases and electronic links
- Cross-functional training by OJT in the program office
- Team building with contractors.

These recommendations, the report concludes, "are designed to adjust policy based on the lessons learned from the DAPPs and to fuel continued process gains throughout DoD."

AR ON-LINE

Keep up with 1998 Events with these HOT Calendar Sites!

The Defense Acquisition University provides 1998 course schedule and descriptions at *http://www.acq.osd.mil/dau/scheduls.html*

The Acquisition Reform Communications Center provides the 1998 satellite broadcast schedule and detailed information at *http://www.acq.osd.mil/dau/arcc/sbsched.html*

The Army's master calendar provides information about 1998 acquisition and procurement conferences at *http://acqnet.sarda.army.mil/calndar/default.htm*

The National Performance Review's Reinvention Express Calendar provides dates and locations of upcoming conferences, seminars & training courses for government and industry acquisition and procurement professionals at *http://www.npr.gov/library/express/1997/1998.html*

Other AR Sites

These and all web sites spotlighted in this column can be directly linked from our "Other Sites" page on the DUSD(AR) web site *(http://www.acq.osd.mil/ar/ar.htm).* It's the most comprehensive listing of AR-related sites anywhere on the web...

Bookmark it!

The complete report, "Celebrating Success: Forging the Future," is available on the AR Web site *(http://www.acq.osd.mil/ar/ppcg/htm).*

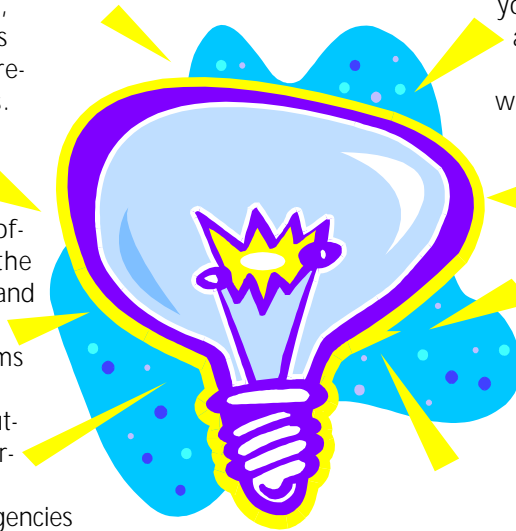# *Innovations in Government, at Age 10*

As the Innovations in American Government program at Harvard's Kennedy School of Government turned ten, federal programs won two of its top 1997 awards.

Sponsored by the Ford Foundation, the $100,000 honors went to the IRS's file-by-phone program and the FDA's reform of the drug approval process. There were 1,654 federal, state and local government applicants.

Meanwhile, Prof. Alan Altshuler, director of the Innovations program, offered his list of the top 10 lessons the program has taught about government and innovation:

1. Define a mission clearly and in terms of compelling problems.
2. Define challenging but achievable outcomes against which to measure performance.
3. Collaborate with other government agencies wherever possible.
4. Build partnerships with the private and nonprofit sectors.
5. Respect the talents of "front-line workers."
6. Identify clearly the citizens and groups who are entitled to your services and focus attention as sharply as possible on their needs.
7. If your tasks involve regulation, consider working with the regulated parties to meet common objectives through compliance.
8. Consider how market forces may complement the provision of public goods and services.
9. Use information technology to improve services and make them more accessible.
10. Be flexible, take risks, don't give up.

For details on the awards and Altshuler's Top Ten, visit the Innovations Web site *(http://ksgwww.harvard.edu/ innovat/).*

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